

**Preserving Project-Based
Section 8 Buildings:
the VISTA Affordable Housing
Preservation Project (VAHPP)**

2015 Housing Justice Network Conference

Natalie Minev, Esq.

Sheyda Joolharzadeh, Esq.

VISTA Affordable Housing Preservation Project

Legal Aid Foundation of Los Angeles

Agenda

1. VAHPP overview
2. Common subsidies and triggering events
3. Case studies
4. Takeaways

Nationwide Statistics

- Project based rental assistance programs house over 1.2 million low income households
 - 446,000 units (33%) are at risk of losing their affordability
 - Of these 446,000 units at risk, 397,000 units face expiring contracts within the next two years
- There is significant variation among metropolitan areas in the share of units at risk

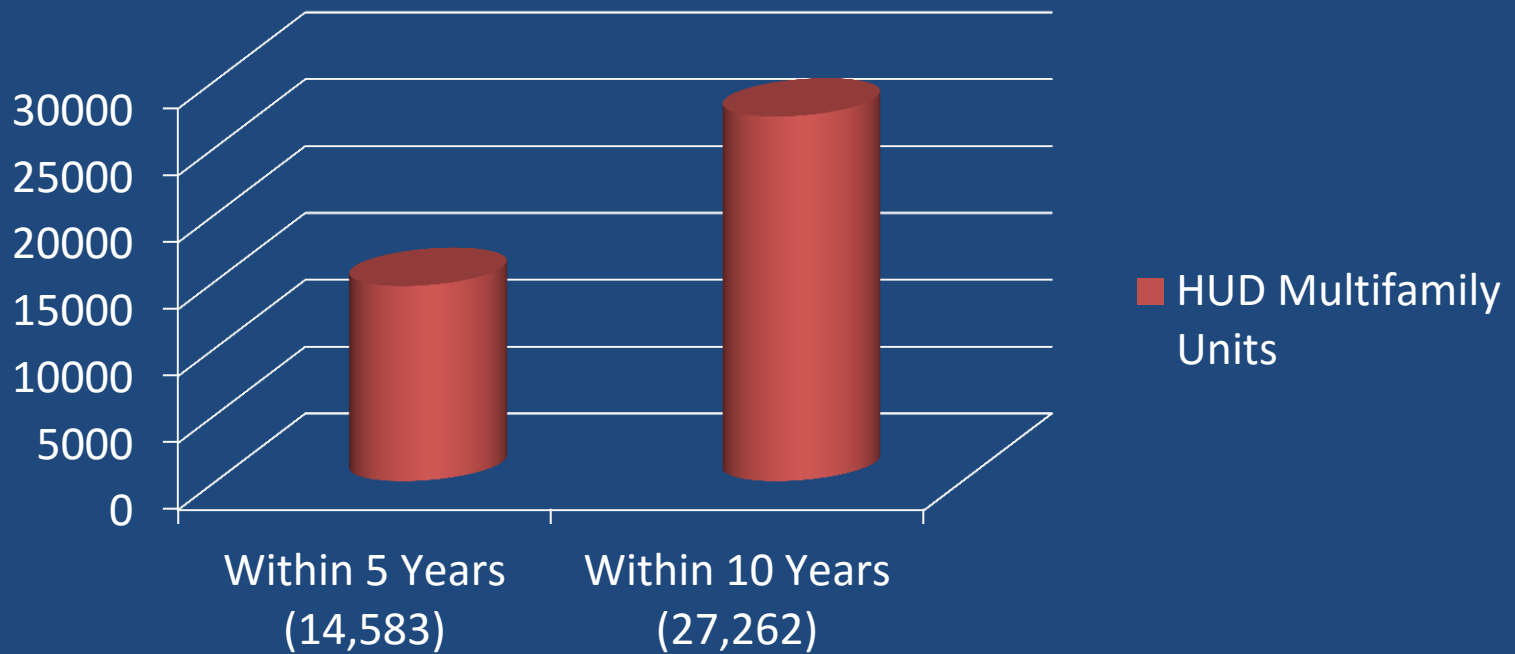
Source: <http://www.urban.org/urban-wire/how-keep-affordable-housing-high-opportunity-neighborhoods>
<http://www.cbpp.org/research/housing/policy-basics-section-8-project-based-rental-assistance>

Affordable Housing in Los Angeles

- 10.02 million people in L.A. County
- 3.8 million people in City of Los Angeles
- The least affordable rental market in the U.S.
 - Harvard University Joint Center for Housing Studies
- 1 in 4 households spend at least 50% of income on housing
- Widespread gentrification and transit-oriented development

At-Risk HUD Properties in the City of Los Angeles

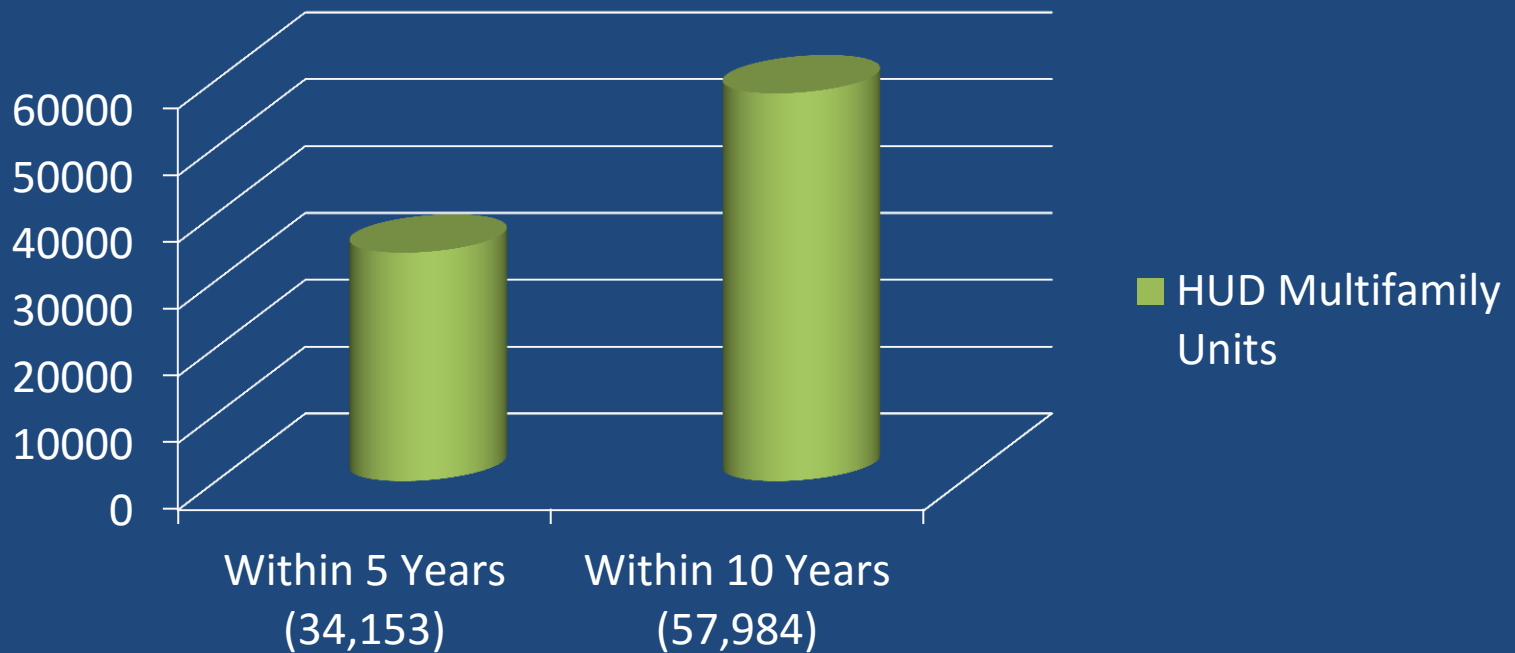
HUD Multifamily Units At-Risk of Loss or Conversion



As of August 2015, according to the National Housing Preservation Database.

At-Risk HUD Properties in the County of Los Angeles

HUD Multifamily Units At-Risk of Loss or Conversion



As of August 2015, according to the National Housing Preservation Database.

THE VISTA AFFORDABLE HOUSING PRESERVATION PROJECT (VAHPP)

What is VAHPP?

The VISTA Affordable Housing Preservation Project (VAHPP) is a **law and organizing project** that helps to improve communities and preserve the long-term affordability of at-risk HUD project-based Section 8 housing, through a holistic approach of tenant organizing, legal advocacy, and individual and organizational capacity building.

VAHPP National Data

- 12 VAHPP attorneys
- 33 VAHPP tenant organizers
- 12 states
 - West: CA, WA
 - East: MA, NY, DC
 - Midwest: IL, MI, MN, OH, PA
 - South: FL, TX
- Funded by HUD, AmeriCorps VISTA, and Equal Justice Works

VAHPP Los Angeles

- Started February 2015
- Two VAHPP attorneys
- Two VAHPP organizers
- Organizing partner: the Coalition for Economic Survival

Project Criteria

VAHPP becomes involved when:

- Owner wants to opt out of project-based section 8
- Owner wants to prepay an existing HUD mortgage
- HAP contract is expiring within 5 years
- Habitability issues are so severe they jeopardize subsidies

Capacity Building

Examples:

- Conducting educational outreach presentations for tenants and partner organizations;
- Creating know your rights pamphlets and other educational materials;
- Facilitating meetings between tenant associations and landlords, property managers, or HUD;
- Providing legal advice and counsel;
- Organizing and incorporating tenant associations;
- Litigation and representation of tenants in administrative hearings pertaining to preservation, maintenance, or improvement of their housing
- Assistance with affordable housing preservation transactions

COMMON SUBSIDIES & TRIGGERING EVENTS

Identifying Subsidies

Sources for determining subsidies on a unit and/or building:

- National Housing Preservation Database
- State-specific housing databases (ex. California Housing Partnership Corporation database)
- Local housing databases (ex. housing department or local HUD contract administrator databases)

Common Subsidies

- Project-based Section 8 vouchers
- Project-based rental assistance (PBRA)
 - Rent Supp, LMSA, Sec 8 NC, Sec 8 SR
- HUD mortgages
 - Section 202, Section 221(d)(3), Section 236
- Enhanced vouchers

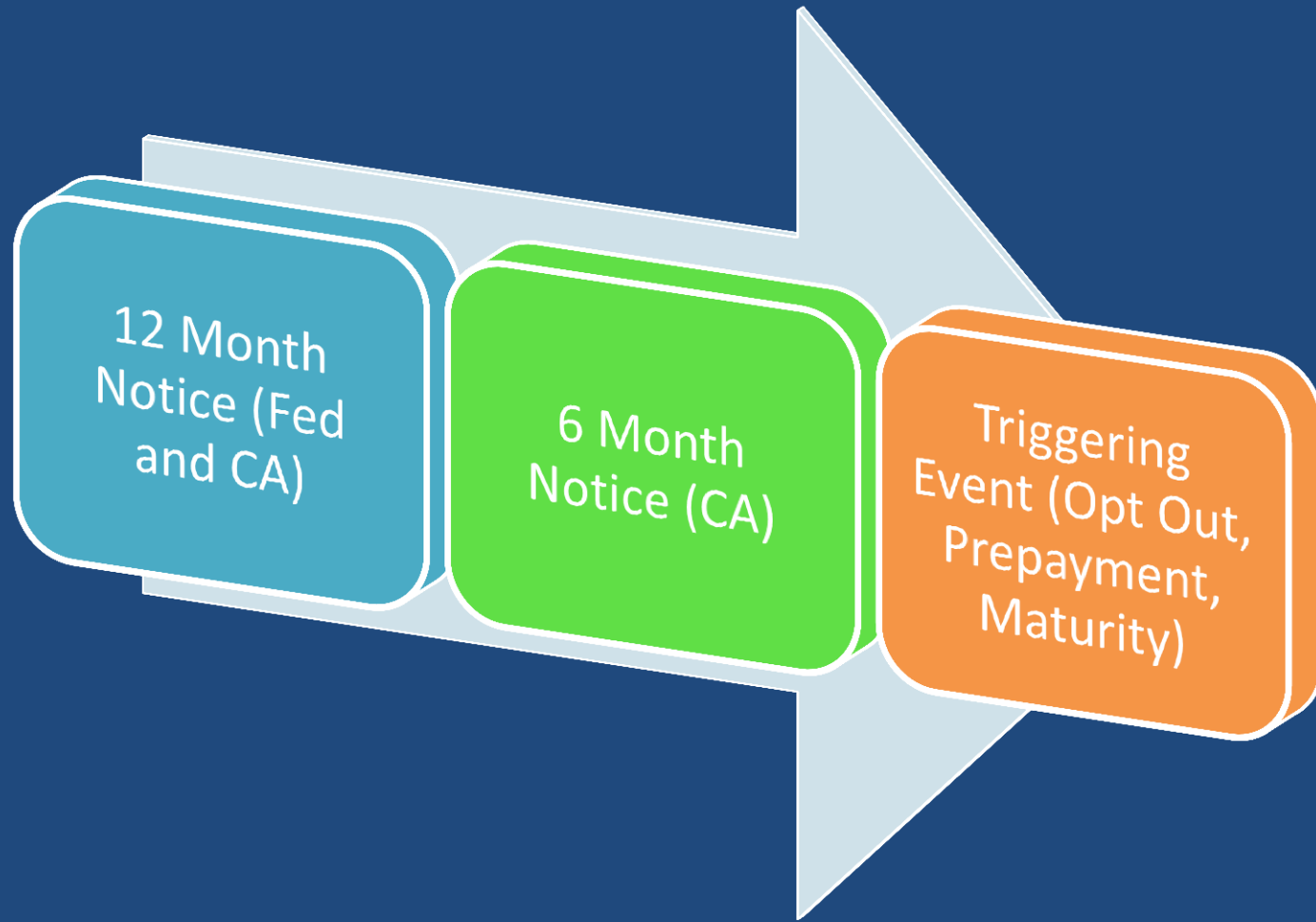
Triggering Events

1. Project-based Section 8 opt out
2. Pre-payment of HUD mortgage
3. HUD mortgage maturity

Factors Predicting Opt Outs

- “Hot” developing areas/neighborhoods
- Small or medium sized owners/management companies (non-profit or for-profit)
- Intel from local, state or federal housing agencies
- Rents well below fair market rent value
- HAP contract
- Information from tenants and landlords
- Media coverage

Notice Requirements



Notice Requirements

- Federal (42 USC Sec. 1437f(c)(8))
 - 12 month notice for most triggering events
- California (Cal. Govt. Code §§65863.10, 65863.11, and 65863.13)
 - 6 and 12 month notice of intent to prepay, terminate or expiration of subsidies
 - 12 month notice of opportunity to submit purchase offer
 - 6 month notice to affected public agencies
- Under federal and state law, certain information needs to be included in notices, or they are defective

CASE STUDIES

Chicago, IL: Asbury Plaza

- 384 units, 77 project-based Section 8 units
- IL Housing Development Authority (IHDA) provided the original mortgage
- Owner opt out attempt despite restrictions in the HAP contract
- Three critical pieces: tenant organizing, media coverage, owner outreach
- Owner application for Mark Up to Market currently pending

Saint Paul, MN: Como by the Lake

- 99 total units, 57 project-based Section 8 units
- Section 221(d)(4) mortgage prepaid, Loan Management Set Aside awarded
- Opt out notice served in April 2015
- Strong collaboration between tenants, attorney, and organizers
- Media coverage of impending sale of property
- Community forum and tenant participation leads owner to sell property to affordable housing developer, ensuring long-term affordability

Los Angeles, CA: E. Victor Villa

- 46-unit project-based Section 8 building
- Section 202 Direct Loan maturing 2/2020
- Numerous habitability and fair housing violations, including blanket denial of reasonable accommodation requests
- Tenant organizing and participation led to critical information about sale of property
- Affordable housing developer acquiring ownership of the property this month

Takeaways

- Jurisdictions with VAHPP: contact your local VAHPP attorney or organizer if you encounter at-risk project-based Section 8 properties
- Jurisdictions without VAHPP
 - Identify subsidies using databases
 - Check for state and local preservation coalitions, departments, and resources
 - Check state or local laws for additional protections for tenants facing opt out or other triggering events (ex. notice requirements)
 - Partner with local tenant organizing groups
 - Contact the VAHPP community, HJN, or NHLP with technical questions

Thank You!

- Emily Coffey, Shriver Center
- Grace Fleming, Housing Justice Center
- Jim Grow, National Housing Law Project
- Fernando Gaytan, LAFLA
- Tai Alex, Equal Justice Works
- Marcia Rosen, National Housing Law Project
- Karlo Ng, National Housing Law Project
- Coalition for Economic Survival

Resources

- NHLP's Green Book on HUD Programs
- CA Notice Requirements Page
 - <http://www.hcd.ca.gov/housing-policy-development/housing-resource-center/technical/presrv/>
- HUD Section 8 Renewal Policy Guide
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8
- HUD Handbook 4350.3
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg/4350.3



VISTA Affordable Housing Preservation Project

Sheyda Joolharzadeh

SJoolharzadeh@lafla.org

(213) 640-3965

Natalie Minev

NAMinev@lafla.org

(213) 640-3956

